

## **IC 21-5-9**

### **Chapter 9. Lease of Existing School Building**

## **IC 21-5-9-1**

### **Application of chapter**

Sec. 1. This chapter shall apply to the lease by school corporations of existing school buildings or improved school buildings under IC 21-5-11 or IC 21-5-12.

*(Formerly: Acts 1969, c.250, s.1.) As amended by Acts 1981, P.L.208, SEC.2.*

## **IC 21-5-9-2**

### **Authorization to acquire, improve, expand, finance, and lease existing or improved school buildings**

Sec. 2. (a) A lessor corporation qualified or formed to acquire a site, erect a school building thereon, and lease it to a school corporation under either IC 21-5-11 or IC 21-5-12 may also be qualified or formed to, and may, acquire, improve, or expand existing school buildings, may finance the existing or improved school buildings, and may lease them to a school corporation under the applicable law.

(b) A lessor corporation may also acquire and finance an existing school building, other than as provided in subsection (a), and lease it to a school corporation. A school corporation shall comply in all respects with all statutory requirements of IC 21-5-11 or IC 21-5-12 and the petition and remonstrance provisions under IC 6-1.1-20. A lease made under this subsection may provide for the payment of lease rentals by the school corporation for the use of the existing school building. Lease rental payments made under the lease do not constitute a debt of the school corporation for purposes of the Constitution of the State of Indiana. A new school building may be substituted for the existing school building under the lease if the substitution was included in the notices given under IC 21-5-11, IC 21-5-12, and IC 6-1.1-20. A new school building shall be substituted for the existing school building upon completion. A school corporation may not pay a legal or other professional fee as the result of an exchange or a substitution under this section.

(c) "Existing school building" includes any school building (as defined under IC 21-5-11 or IC 21-5-12) and any building that after acquisition will be used as a school building (as defined in IC 21-5-11 or IC 21-5-12) and may include more than one (1) building but shall not include a portable or relocatable building or classroom.

(d) "Improved school building" means an existing school building as improved, renovated, remodeled, or expanded by a lessor corporation.

*(Formerly: Acts 1969, c.250, s.2.) As amended by Acts 1981, P.L.208, SEC.3; P.L.59-1988, SEC.5; P.L.152-1996, SEC.4.*

## **IC 21-5-9-3**

#### **Compliance with leasing provisions**

Sec. 3. The lease or contract of lease of an existing or improved school building to a school corporation as authorized by this chapter shall comply with all applicable terms of IC 21-5-11 or IC 21-5-12, including but not limited to the notice of hearing on the lease, public hearing, notice of execution of lease, and the submission of any plans and specifications, for the improvement or expansion of the existing school building for approval by the state agencies designated in IC 21-5-11 or IC 21-5-12 or otherwise required by applicable law or rule. However, if a school corporation is occupying and using an existing school building during the renovation, remodeling, or expansion of the building, the lease or contract of lease may provide for the payment of lease rental by the school corporation for the use of the building during renovation, remodeling, or expansion.  
*(Formerly: Acts 1969, c.250, s.3.) As amended by Acts 1981, P.L.208, SEC.4; P.L.59-1988, SEC.6; P.L.152-1996, SEC.5.*

#### **IC 21-5-9-4 Repealed**

*(Repealed by P.L.1-1989, SEC.75.)*

#### **IC 21-5-9-5**

##### **Sales price of existing school building; determination; law governing**

Sec. 5. The sale price of an existing school building shall be determined under the provisions of IC 21-5-11 or IC 21-5-12 relating to the sale of land to a lessor corporation. Except as provided in this section, neither IC 20-5-5 nor any other law relating to the sale of the property of school corporations or other public property applies to the sale of existing school buildings to lessor corporations pursuant to this chapter.

*As added by Acts 1981, P.L.208, SEC.5.*

#### **IC 21-5-9-6**

##### **Proceeds from sale of existing school building**

Sec. 6. A school corporation that sells an existing school building under section 2(b) of this chapter shall deposit the proceeds of the sale into the school corporation's capital projects fund and use the proceeds only for:

- (1) new construction of school buildings;
- (2) related site acquisition; and
- (3) related site development.

However, any amount of the proceeds of the sale that are not used for a purpose described in subdivisions (1) through (3) within one (1) year after the school corporation receives the proceeds shall be transferred to the school corporation's debt service fund.

*As added by P.L.152-1996, SEC.6.*